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## **OLR Bill Analysis**

### **sSB 1081**

#### ***AN ACT CONCERNING RECYCLING AND JOBS.***

#### **SUMMARY:**

This bill makes several changes to the state's solid waste management laws that relate to recycling. Among other things, it:

1. creates a program providing technical assistance and other incentives to municipalities and regions with a solid waste disposal unit-based pricing system (§ 3);
2. sets goals for regional waste management authorities to provide municipalities with a regional option for solid waste management (§ 6);
3. extends the date for solid waste collectors to begin providing certain reports to the municipalities in which they do business and creates an exemption from providing them (§ 4);
4. prohibits solid waste collectors from mixing designated recyclables with other solid waste, regardless of whether they do so knowingly (§ 4);
5. establishes dates by which certain generators of organic materials must separate organic materials from other solid waste and recycle them at authorized composting facilities (§ 5);
6. increases the information scrap metal processors must provide to the Department of Energy and Environmental Protection (DEEP) commissioner to be exempt from needing a solid waste facility permit (§ 2); and
7. requires the DEEP commissioner to consult with state or quasi-public agencies and identify opportunities to establish a

recycling infrastructure investment program or expand an existing one (§ 7).

The bill allows municipalities to adopt ordinances providing a property tax exemption for certain recycling machinery or equipment (§ 8).

It also makes several technical changes.

EFFECTIVE DATE: October 1, 2013, and the property tax provision is applicable to assessment years starting on or after that date.

### **§ 3 — RECYCLING INCENTIVE PROGRAM**

The bill establishes a “Municipal and Regional Recycling Incentive Program” to provide municipalities and regions with technical assistance and incentives to further the state’s solid waste management plan. The assistance must promote implementing sustainable materials management practices that (1) reduce solid waste and (2) increase recovery of designated recyclable items and other recyclable materials (see BACKGROUND).

Municipalities and regions are eligible to participate in the program if they (1) implement a solid waste disposal pricing system before July 1, 2013 that the DEEP commissioner determines is an effective unit-based pricing system and (2) commit, by October 1, 2013, to participate in the program by agreeing to modernize its pricing system to a unit-based pricing system according to an implementation plan the commissioner approves. It is unclear why a municipality or region with an approved unit-based pricing system would also have to agree to modernize its system to the same type of pricing system.

### **§ 6 — REGIONAL COLLABORATION**

The bill requires the DEEP commissioner to identify opportunities for new incentives for regional collaboration among municipalities to save costs and standardize recycling and solid waste management. He must do this in consultation with the Office of Policy and Management and regional waste management authority leaders.

The bill establishes a state goal for regional waste management authorities to provide a regional option for solid waste management services. The goal is to provide the regional option to 80% of municipalities by January 1, 2015, and all municipalities by January 1, 2017.

Under the bill, municipalities participating in regional waste management authorities that provide solid waste management services are given priority for inclusion in the Municipal and Regional Recycling Incentive Program the bill creates.

## **§§ 1 & 4 — SOLID WASTE COLLECTORS**

### ***Definition***

By law, a “collector” is anyone who holds himself out for hire to regularly collect solid waste from residential, business, commercial, or other establishments. The bill specifies that a “collector” does not include a person who transports:

1. solid waste incidentally generated during professional or commercial activities unrelated to solid waste collection (e.g., home repairs) if it is (a) self-generated by the person’s activities and (b) transported to an authorized recycling facility, permitted recycling facility, or permitted solid waste facility or
2. used materials to a (a) charitable organization that distributes reused household items or (b) retail facility that sells reused household items.

### ***Mixing Solid Waste***

Current law prohibits solid waste collectors from knowingly mixing designated recyclables with other solid waste. The bill instead subjects all collectors who mix such items to the penalties the law prescribes, regardless of whether they mix the items knowingly. Violators are subject to a civil penalty of up to \$2,500 for a first offense and up to \$10,000 for subsequent offenses.

### ***Annual Reporting***

The bill extends, from July 31, 2011 to July 1, 2013, the date by which solid waste collectors must begin annually reporting certain information to the municipalities in which they do business. The information must include the:

1. types of solid waste generated and collected in the municipality;
2. name, location, and contact information for the destination where the collector delivered the solid waste during the prior fiscal year; and
3. types and actual or estimated amounts of the solid waste directly delivered to an out-of-state destination or an “end user” (see below) or manufacturer in Connecticut.

As under existing law, these reports must (1) be submitted to the municipalities annually by July 31 on a form the DEEP commissioner prescribes and (2) include any additional information the commissioner requires.

Under the bill, collectors are deemed compliant with the above reporting requirement if they:

1. identify upon delivery the solid waste’s origin when delivering municipal solid waste to permitted or authorized solid waste facilities and
2. if hauling solid waste to and from unpermitted or unauthorized solid waste facilities, annually report to the commissioner the (a) types of solid waste collected; (b) municipality where municipal solid waste originated; (c) amount by weight, volume, or other method the commissioner accepts of solid waste delivered to the destination; and (d) name, address, and contact information of the entity receiving the solid waste.

### ***End User Definition***

The bill specifies that an “end user” under the solid waste management laws is a (1) person who uses a material for its original

use or (2) manufacturer who uses a material as feedstock to make a product.

## **§ 5 — ORGANIC MATERIALS**

Under current law, commercial food wholesalers or distributors, industrial food manufacturers or processors, supermarkets, resorts, and conference centers that generate an average of at least 104 tons of source-separated organic materials a year must (1) separate the organic materials from other solid waste and (2) recycle the organic materials at a permitted source-separated organic material composting facility located within 20 miles of the generation site. They must do this within six months after at least two such facilities with a combined capacity to accept the generators' materials are open for business in Connecticut (see BACKGROUND).

Under the bill, beginning January 1, 2014, these large generators of organic material (i.e., generating at least 104 tons a year) located within 20 miles of an authorized, instead of permitted, source-separated organic material composting facility must recycle the organic materials at any such facility with available capacity that will accept them.

Beginning January 1, 2020, the bill expands the requirement to all commercial food wholesalers or distributors, industrial food manufacturers or processors, supermarkets, resorts, and conference centers located within 20 miles of an authorized source-separated organic material composting facility, instead of just large generators. Thus, regardless of the amount of organic waste generated, these entities must (1) separate the organic materials from other solid waste and (2) recycle the organic materials at an authorized source-separated organic material composting facility that has available capacity and will accept it.

Existing law, unchanged by the bill, allows these generators to compost the source-separated organic material or treat it with organic treatment equipment on-site.

## **§ 2 — SCRAP METAL PROCESSORS**

The law exempts scrap metal processors from obtaining a solid waste facility permit if they annually report to the DEEP commissioner, on March 31, the amount of scrap metal purchased or received from (1) a municipality, (2) a municipal or regional authority, (3) the state, or (4) a political subdivision of the state. Current law also requires that each municipality included in the report receive a copy of the information that relates to it.

The bill instead requires these processors, by July 31, 2014 and annually afterward, to report to the DEEP commissioner, on a form he prescribes, the amount of scrap metal generated in Connecticut and purchased or received by them for the prior fiscal year. The report must identify the:

1. regional solid waste facility from which the scrap metal was received or the Connecticut municipality in which the scrap metal was generated,
2. type of waste stream that generated the scrap metal, and
3. facility receiving the scrap metal or other recyclables from the processor.

## **§ 8 — PROPERTY TAX EXEMPTION**

The bill allows municipalities to adopt ordinances exempting from the property tax recycling machinery or equipment installed on or after October 1, 2013. The exemption must only apply to the (1) increased value of the commercial or industrial property attributable to the machinery or equipment and (2) first 15 assessment years after installation.

## **BACKGROUND**

### ***Designated Recyclable Items***

By law, the DEEP commissioner designates through regulations certain items that must be recycled. These items include:

1. boxboard;

2. cardboard;
3. glass and metal food containers;
4. HDPE and PET or PETE (certain plastics) containers;
5. leaves;
6. colored ledger, residential high-grade white, and office paper;
7. magazines and newspaper;
8. scrap metal;
9. storage batteries; and
10. waste oil (Conn. Agencies Regs. § 22a-241b-2).

### ***Organic Materials and Composting Facilities***

By law, “source-separated organic material” includes food scraps, food processing residue, and soiled or unrecyclable paper that are separated, at generation, from nonorganic materials (CGS § 22a-207(29)).

A “composting facility” is land, appurtenances, structures, or equipment where organic materials originating from another process or location and separated at generation from nonorganic material are recovered, using a process of accelerated biological decomposition of organic material under controlled aerobic or anaerobic conditions (CGS § 22a-207(28)).

### **COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 18 Nay 10 (03/27/2013)